

CALIFORNIA MEDICAL ASSISTANCE COMMISSION

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**CALIFORNIA MEDICAL ASSISTANCE COMMISSION**

State Capitol, Room 444
Sacramento, CA

Minutes of Meeting
January 25, 2007

COMMISSIONERS PRESENT

Michele Burton, M.P.H.
Wilma Chan
Diane Griffiths
Jerome E. Horton
Vicki Marti
Nancy McFadden

COMMISSIONERS ABSENT

Cathie Bennett Warner, Chair

CMAC STAFF PRESENT

Keith Berger, Executive Director
Tacia Carroll
Paul Cerles
Denise DeTrano
Katie Knudson
Cecilia Lacoste
Steven Soto
Michael Tagupa
Mervin Tamai
Karen Thalhammer

EX-OFFICIO MEMBERS PRESENT

Toby Douglas, Department of Health Services

EX-OFFICIO MEMBERS ABSENT

Thomas Williams, Department of Finance

I. Call to Order

The January 25, 2007 open session meeting of the California Medical Assistance Commission (CMAC) was called to order by Commissioner Nancy McFadden. She began by welcoming CMAC's newest Commissioner, Jerome Horton, to the Commission. A quorum was present.

II. Approval of Minutes

The January 11, 2007 meeting minutes were approved as amended to remove a duplicate paragraph prepared by CMAC staff.

III. Executive Director's Report

Keith Berger, Executive Director, began by offering a special welcome to CMAC's new Commissioner, Jerome Horton. He said CMAC was pleased to have him on the Commission and looked forward to working with him.

Mr. Berger reported that the California Department of Health Services (CDHS) has issued the final Disproportionate Share Hospital (DSH) List for FY2006-07. For CMAC's new Commissioners, he noted that this is a key eligibility criterion for the two supplemental funds established by SB 1100. He said CMAC had already initiated their supplemental funds process for Round 2B, and now that the DSH list is out, staff can finalize negotiations with eligible hospitals over the next month.

CMAC's initial implementation schedule, Mr. Berger said, had targeted the February 8 meeting to have amendments before the Commissioners for action. Because CMAC had not been able to move to the final stages of the process until now, CMAC will need to push that target date back to the second meeting in February. He said that staff will provide an additional update at the next meeting regarding CMAC's progress in completing the negotiation process.

Continuing his report, Mr. Berger updated the Commissioners that CMAC had received questions from a number of people regarding CMAC's plans for implementing the next round of the Distressed Hospital Fund, another new fund established by SB 1100. Mr. Berger then gave a summarization of CMAC's response:

Mr. Berger said that SB 1100 made the first priority for distressed hospital funds in the second year of the waiver to help backfill any deficiencies in baseline payments to safety net hospitals. CMAC hopes there will not be any deficiencies.

However, he said, those baseline calculations cannot take place until after the final waiver-related State Plan Amendment (SPA) on physician payments is approved by Centers for Medicare and Medicaid Services (CMS). Toby Douglas, CDHS, reported at CMAC's previous meeting that they will be submitting additional data to CMS for that SPA soon. Mr. Douglas also reported that because of the time it is taking to finalize the physician SPA, the California Association of Public Hospitals had requested that the baseline calculations not be done until June. Mr. Berger noted he thought Mr. Douglas said that the extension request was acceptable to all parties, including the Legislature. Mr. Douglas confirmed the point.

Mr. Berger said CMAC needs to wait until the official determination of the baseline payments is done before we know whether CMAC can initiate another round of the Distressed Hospital Fund in the same manner as last year. If there are safety net hospitals with a baseline deficiency, then CMAC's first priority is to negotiate with them for an equitable distribution of the available dollars in the Distressed Hospital Fund.

Mr. Berger completed his summarization and said, therefore, CMAC had told the inquiring parties that we don't see CMAC moving forward with the Distressed Hospital Fund until at least June.

Mr. Berger concluded his report by noting that there were six contract amendments before them for their review and action in today's closed session, as well as a number of key negotiation updates.

IV. Department of Health Services (CDHS) Report

Toby Douglas, Assistant Deputy Director, Medical Care Services, CDHS, updated CMAC on the third component of the State Plan Amendments (SPA) relating to the hospital financing waiver. Mr. Douglas reported that CDHS has received the final physician cost related data from public hospitals, including the University of California system, and submitted this information to the CMS. He noted that CDHS believes that CMS is now reviewing all data and has all the information needed to approve the SPA. Mr. Douglas added that this brings CDHS one step closer to fully implementing the waiver including baseline and stabilization funds.

Mr. Douglas concluded his report by updating CMAC on another component of the hospital financing waiver, the coverage initiative. Mr. Douglas noted that CDHS has received several proposals, which are currently being reviewed by CDHS staff. CDHS plans to provide final decisions on which counties will be funded by March.

V. New Business/Public Comments/Adjournment

There being no further new business and no comments from the public, Commissioner McFadden recessed the open session. Commissioner McFadden opened the closed session, and after closed session items were addressed, adjourned the closed session, at which time the Commission reconvened in open session. Commissioner McFadden announced that the Commission had taken action on managed care contracts and amendments in closed session. The open session was then adjourned.